

Message Text

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PAGE 01 OECD P 28376 021808Z

43

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TAGS ECON OECD

SUBJECT EDRC REVIEW OF LABOR MARKET DEVELOPMENTS

REF EDR (73)21

1. SUMMARY: IN HALF-DAY MEETING OCT, 30, EDRC DECIDED AGAINST FOLLOWUP PAPER TO REFDOD, PREFERRING TRANSMIT TO MANPOWER AND SOCIAL AFFAIRSCOMMITTEE FOR INFORMATION AND INFORM EPC OF STUDY. SYNOPTIC PAPERS THIS TYPE WILL BE PRODUCED PERIODICALLY ON OTHER SUBJECTS. MEANWHILE EDRC WILL CONTINUE MONITOR LABOR MARKET DEVELOPMENTS IN INDIVIDUAL COUNTRY STUDIES. END SUMMARY.

2. DISPOSITION OF REFDOD: MEMBERS AGREED THAT PRESENT USEFUL STUDY WAS SUFFICIENT AND NO FORMAL FOLLOWUP NEEDED ESPECIALLY IN VIEW LACK OF COMPARABILITY OF STATISTICS AND UNCERTAIN VALIDITY OF CONCLUSIONS. SOME MEMBERS OFFERED SUBMIT COMMENTS TO SECRETARIAT FOR CLARIFICATION OR CORRECTION, BUT DOCUMENT WILL NOT BE REISSUED. SECRETARIAT WILL CONTINUE EXAMINE LABOR MARKET ISSUES IN CONTEXT INDIVIDUAL COUNTRY STUDIES.

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PAGE 02 OECD P 28376 021808Z

3. COORDINATION WITH OTHER COMMITTEE: MEMBERS EXPRESSED SOME CONCERN REGARDING DIVISION OF RESPONSIBILITY BETWEEN

EDRC AND MSAC. REPRESENTATIVE OF MSAC ASSURED COMMITTEE THAT ACTIVITIES WERE COMPLEMENTARY AND ANTICIPATED MSAC MIGHT BE ABLE DEVELOP POLICY MEASURES TO DEAL WITH PROBLEMS IDENTIFIED BY EDRC. MEMBERS GENERALLY SUPPORTED TRANSMISSION TO MSAC AS INFO DOCUMENT WITHOUT INVITATION PURSUE WORK FURTHER. EDRC WOULD ALSO INFORM EPC ITS WORK THIS AREA.

4. LABOR MARKET STATISTICS: MEMBERS FELT THAT IMPROVEMENT OF STATISTICS WAS OUTSIDE EDRC FRAME OF REFERENCE AND SHOULD BE CONSIDERED ELSEWHERE IN OECD.

5. SEVERAL MEMBERS, INCLUDING U.S., EXPRESSED SKEPTICAL INTEREST IN PARA 19 REFERENCE POSSIBLE ROLE OF INCOMES POLICY IN PROMOTING WIDER ACCEPTANCE OF NEED FOR ADJUSTMENTS IN WAGE DIFFERENTIALS. SECRETARIAT UNABLE PROVIDE SPECIFIC EXAMPLES AND INDICATED INCLUSION THIS ITEM DESIGNED ONLY STIMULATE DISCUSSION.

6. U.S. DEL INITIATED SPIRITED DISCUSSION PARA 21 BY SUGGESTING THAT REGIONAL INCENTIVES TO INDUSTRY MIGHT BE CONTRAVENTION GATT ARTICLE 16 RULES AGAINST EXPORT SUBSIDIES. OTHERS RECOGNIZED THIS POSSIBILITY WITH RESPECT TO EXPORT INDUSTRIES BUT WERE UNSURE WHETHER ARTICLE 16 WOULD BE INTERPRETED TO APPLY GENERALLY TO REGIONAL SUBSIDIES. SECRETARIAT PREFERENCE FOR SUBSIDIZING LABOR RATHER THAN CAPITAL ALSO SUBJECT LIVELY DISCUSSION. DUTCH DEL SAW POSSIBILITIES SHORT-TERM BENEFITS LABOR SUBSIDIZATION BUT DOUBTED SUCH SUBSIDIES COULD EASILY BE WITHDRAWN. ALSO NOTED MULTIPLIER EFFECTS OF CAPITAL SUBSIDIZATION AND INCREASE IN QUALITY OF INVESTMENT OVER LONG TERM.

7. REGARDING COUNCIL INVITATION TO STUDY PROBLEM OF INFLATION IN FUTURE COUNTRY STUDIES, SECRETARIAT PROPOSED EDRC SUBMIT PERIODIC REPORTS TO COUNCIL ON NOTABLE COUNTRY DEVELOPMENTS THIS SUBJECT. COMMITTEE FELT THIS UNCLASSIFIED

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PAGE 03 OECD P 28376 021808Z

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